

Opening Statement of Chairman Max Baucus
Hearing on “Prescription for Fraud:
Consultants Selling Doctors Bad Billing Advice
June 27, 2001

Today, the American people will hear some startling news. They’ll hear that they may be getting cheated, by consultants who teach health care providers how to take unfair advantage of the Medicare system. As a result, taxpayers are losing millions, and elderly patients are getting inadequate treatment.

But let’s put it in perspective. The vast majority of health care consultants provide a valuable and constructive service. They help our health care system run better. This hearing is not intended to undermine their contributions or reputations. But, as is too often the case, there may be some bad apples and that is what we’ll focus on this morning.

The Office of Special Investigations of the U.S. General Accounting Office will take us behind the closed doors of two private health care consulting seminars. We will hear what is being said by these consultants and how they are instructing providers to “game the system.” This is the first time, in my recollection, that this has been done.

I want to commend my good friend and colleague, Senator Grassley, for initiating this important investigation. Senator Grassley is a tireless crusader against waste, fraud and abuse. His investigations into the Defense Department uncovered \$400 hammers and \$7,000 coffee makers. Senator Grassley requested the GAO investigation last year when he was Chairman of the Committee on Aging. He brought this project with him when he became Chairman of the Finance Committee. In a moment, Senator Grassley will provide additional details on the results of this investigation. I want to thank him for drawing the Committee’s attention to this serious problem. This Committee has a responsibility to conduct oversight of the programs within its jurisdiction and we will continue to work together to do just that. There is no partisanship when it comes to eliminating waste, fraud and abuse in government programs.

I want to conclude my remarks by making a couple of comments on today’s hearing. First, the success of the Medicare program is dependent in large part upon the ability of health care providers to offer quality, efficient services to beneficiaries. The Senate Finance Committee is committed to making common-sense adjustments to the program in order to improve communication among elements of the Medicare delivery system and reduce the regulatory burden facing providers. The end goal is to free providers to practice medicine and enhance and maintain the health of Medicare beneficiaries.

In this regard, I am concerned about pending legislation that might, inadvertently, make it more difficult for the Federal government to maintain the integrity of the Medicare trust funds. I am working with Senator Grassley to improve the legislation, by finding the right balance

between, on one hand, protecting health care providers who are just trying to do their jobs and, on the other, protecting the fiscal integrity of the Medicare trust funds.

Finally, this hearing is not just about consultants. It's also about the dignity of patients. Its about subjecting patients to tests that aren't medically necessary. Its about treating patients differently depending upon the level of reimbursement by their insurance provider. Just as every patient deserves a bill of rights, every patient deserves the right to be billed fairly and not bilked by unscrupulous consultants that advise doctors to put profit ahead of their patients health care needs.

Again, I want to thank Senator Grassley for high-lighting this issue and I look forward to hearing from today's witnesses.